

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 TRSE-00 PA-01 PRS-01 USIA-06 L-03 SS-15

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FM AMEMBASSY NASSAU

TO SECSTATE WASHDC PRIORITY 8619

C O N F I D E N T I A L NASSAU 1442

E.O. 11652: GDS

TAGS: PINT PFOR CFED BF

SUBJ: HERALD PRINTS EMBASSY DENIAL

REF: A) NASSAU 1439; B) NASSAU 1440

1. UNDER HEADLINE READING "U.S. EMBASSY SAYS TAX AGENTS MUST BE CLEARED" SEPTEMBER 11 HERALD PRINTED EMBASSY DENIAL (REF A) OF IRS-CBS ARTICLE ALONG WITH STORY BASED ON CBS DENIAL (TEXT AS PER REF B) AND STORY ON PURPORTED IRS CONTINGENCY PLAN TO RELEASE NAMES OF BAHAMIANS WITH U.S. BANK ACCOUNTS. TEXT OF LATTER AS FOLLOWS:

QUOTE ONE OF THE MORE EXTREME MEASURES OPEN TO THE UNITED STATES INTERNAL REVENUE SERVICE IN ITS SCRUTINY OF THE BAHAMAS AS A TAX HAVEN WOULD BE TO PUBLICIZE THE NAMES OF BAHAMIANS HOLDING BANK ACCOUNTS IN THE U.S.

AN AMERICAN ATTORNEY WHO HAS WORKED ON A NUMBER OF LEGAL CASES INVOLVING PERSONS CHARGED WITH IRS OFFENSES, TOLD THE HERALD THIS WEEK THAT THE POSSIBILITY HAD ALREADY BEEN DISCUSSED IN WASHINGTON.

"IT WAS MENTIONED AS A SERIOUS POSSIBILITY," HE SAID. "IN MIAMI ALONE THERE ARE A GREAT MANY SUCH ACCOUNTS, BOTH CHECKING AND SAVINGS ACCOUNTS. WE UNDERSTAND THAT THIS IS AN OFFENSE UNDER BAHAMIAN LAW.

"IF THESE NAMES WERE TO BE MADE PUBLIC, IT COULD STIR A HORNET'S NEST. BUT DON'T BE SURPRISED IF IT HAPPENS. THEY MIGHT JUST TRY TO SHOW YOU THAT TWO CAN PLAY THE SAME GAME." UNQUOTE

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2. CONCERNING EMBASSY DENIAL HERALD SAID IT "REPRESENTS FIRST OFFICIAL ASSURANCE THAT IRS AGENTS MUST NOW RECEIVE EMBASSY CLEARANCE ON THEIR VISITS TO THE BAHAMAS" AND CLAIMED TO BE "PLEASED TO RECEIVE THESE ASSURANCES". ONLY OTHER COMMENT, AMOUNTING TO SMALL STEP BACK, WAS LAME REJOINER THAT "AT NO TIME DID WE MENTION THE COLUMBIA BROADCASTING SYSTEM OR ITS PERSONNEL.

3. FACT THAT THE DENIAL AND APPARENTLY ABBREVIATED VERSION OF BANK ACCOUNT STORY WERE PRINTED SEPTEMBER 11, DESPITE SYMONETTE'S CONTENTION TO EMBASSY OFFICER THAT DEADLINES PRECLUDED PUBLICATION BEFORE SEPTEMBER 15, SUGGESTS POSSIBLE INTERVENTION BY MINEXTAFF TO WRAP THIS ONE UP AS QUICKLY AS POSSIBLE. (LATER IN DAY SEPT. 10, PERMSEC RUSSELL TOLD US HE WOULD DISCUSS DENIAL, TEXT OF WHICH WAS PROVIDED TO HIM, WITH MINISTER ADDERLEY.) AT THIS POINT, WE SEE NO FURTHER NEED FOR EMBASSY COMMENT, GIVEN FAIRLY NEUTRAL HANDLING OF OUR DENIAL AND FACT THAT SOURCE FOR BANK ACCOUNT STORY IS IDENTIFIED ONLY AS "AN AMERICAN ATTORNEY".  
TAYLOR

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## Message Attributes

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